POSITION | EU SINGLE MARKET | RECOMMENDATIONS

Making the Single Market the EU's Growth Engine

Safeguarding Europe's Future

January 2022

Foreword

Alongside the preservation of lasting peace in Europe, the single market is the greatest achievement of the European integration project. At the same time, it is the central basis for the future of the European Union. Only a well-integrated market is competitive, creates prosperity and jobs, guarantees stability and secures Europe's political influence in the world. The continuous deepening of the single market in all areas is therefore imperative so we can continue to defend and claim our European sovereignty, our standards and values globally.

This paper puts into concrete terms the core demand of German industry to make the completion of the single market an overarching political leitmotif of national and European policy once again. The proposed recommendations for action are intended to help overcome the current political stalemate in deepening the single market at national and European level. A fully integrated single market would bring the EU up to 1.1 trillion euros or up to 8.6 percent of EU GDP - an economic potential that Europe can no longer afford to leave untapped in times of continuing economic turmoil and geopolitical shifts. National and European decision-makers are urgently called upon to finally put their repeated promises for "more Europe" into practice.

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Introduction: The Single Market – The Engine of European Integration

The single market is the basis of Europe's success, prosperity and stability. With 450 million citizens and 22 million companies from 27 Member States, it is the largest common market in the world. The free movement of people, goods, services, capital and data is the prerequisite for growth, employment and competitiveness in the European Union (EU). The single market promotes the continuous growing together of the Member States not only in economic and political terms, but also in social terms. Finally, the single market is a decisive factor in promoting and claiming our European interests, but also our standards and values, worldwide.

The Economic Importance of the Single Market: Facts and Figures

The EU single market is the largest common market in the world. With an economic output of almost 16 trillion US dollars, it is the world's second largest economic area. Only the USA, with 21 trillion US dollars, is ahead of Europe. China follows in third place with 14 trillion US dollars.[1] The common market contributes 8.5 percent to EU GDP and has increased the GDP of its Member States by between 12 and 22 percent since it came into force in 1993.[2]

The share of intra-EU trade in goods is higher than the share of extra-EU trade in all EU countries except Ireland.[3] If imports and exports are taken together, trade with the other EU-27 states accounts for more than half of the foreign trade turnover of all EU states.[4] In total, trade in goods among the EU-27 countries amounts to 235 billion Euro.[5]

In addition, the single market has created over 2.7 million new jobs since its inception and generates an annual welfare gain of about 840 euros for each of its citizens.[6] In Germany, the figure is as high as 1,046 euros per year.[7]

The Importance of the Single Market for German Industry

German industry is one of the biggest beneficiaries of the single market: Around two thirds of German goods exports and imports are attributable to trade within the EU-27. Germany generates almost half (48.4%) of its foreign trade surplus (exports minus imports) within the single market. German companies export more to France alone than to China. In turn, 44.8 percent of imports to Germany come from other EU countries; by comparison, 11.3 percent come from China and 6.6 percent from the USA.[8]

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[1] World Bank: https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=EU

[2] European Central Bank: Baldwin vs. Cecchini revisited: The growth impact of the European Single Market. Working Paper Series. April 2020. https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2392~83000b6b14.en.pdf

[3] State in 2020

[4] Federal Agency for Civic Education (BPB): https://www.bpb.de/nachschlagen/zahlen-und-fakten/europa/70552/binnenhandel-der-eu

[5] State of December 2020, European Commission/Eurostat: https://trade.ec.europa.eu/doclib/docs/2013/december/tradoc_151969.pdf

[6] Bertelsmann Stiftung: Estimating economic benefits of the Single Market for European countries and regions. May 2019. http://passthrough.fw-notify.net/download/621587/http://aei.pitt.edu/102495/1/2019.pdf

[7] Idem footnote 12

[8] European Commission: https://europa.eu/european-union/about-eu/countries/member-countries/germany_en

France alone exports around twice as much to Germany as to the USA. Overall, Germany is responsible for almost a quarter of all exports (22.8%) and imports (23.3%) within the EU-27.[9]

Germany is also at the top of the single market winners in terms of income gains. According to a study conducted by the Bertelsmann Foundation in 2019, Germany generates the highest income gains in a European country comparison at 86 billion euros per year.[10] Strongly industrialised regions with a high export orientation show the greatest per capita profits. According to the Bertelsmann study, the same applies to regions with strong SMEs and supplier companies that export a lot to the domestic market.

Despite its Success: The Single Market Remains Europe's Biggest Construction Site

Despite its enormous success, the single market remains Europe's biggest construction site. The border closures in the wake of the Covid-19 pandemic and the resulting disruptions in cross-border value chains have highlighted the immense importance of a functioning single market. At the same time, the crisis has shown how quickly protectionism and a lack of coordination between Member States can undermine the basic principles of the single market and bring the highly interconnected and interdependent European economy to a standstill.

However, the single market has already been fragmented before Covid-19. SMEs in particular were unable to fully exploit the potential of the single market even before the crisis. Companies operating in Europe are confronted with a multitude of barriers: Diverging national legal frameworks, complicated administrative procedures, lack of access to information, and even market foreclosure. Coping with these problems often exceeds the companies' capacities or the anticipated benefits of expansion. It is therefore not surprising that currently only 17 percent of all SMEs in the manufacturing sector export to other EU countries.[11]

Growth Potential of the Domestic Market Remains Untapped

The EU is missing out on potentially up to 1.1 trillion euros or up to 8.6 percent of EU GDP due to these barriers. In the services sector alone, the potential amounts to more than 330 billion euros annually or 2.4 percent of EU GDP. In the area of cross-border trade in goods, the potential is estimated at up to 269 billion euros or up to 1.8 percent of EU GDP. Finally, a fully implemented digital single market would generate around an additional 110 billion euros per year in European economic power.[12]

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[9] Eurostat: https://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods/de

[10] Idem footnote 12

[11] European Commission: „Eine KMU-Strategie für ein nachhaltiges und digitales Europa“. COM(2020)103 final. https://ec.europa.eu/transparency/regdoc/rep/1/2020/DE/COM-2020-103-F1-DE-MAIN-PART-1.PDF

[12] The quoted numbers originate from: European Parliament Research Service (EPRS): Coronavirus and the Cost of Non-Europe. An analysis of the economic benefits of common European action. May 2020: https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_IDA(2020)642837

Completing the Single Market as the EU's Central Project for the Future

Almost forty years ago (June 1985), the European Commission under Jacques Delors presented its legendary "White Paper on Completing the Single Market".[13] It contained a detailed legislative plan with over 280 measures aimed at dismantling all physical, technical and fiscal non-tariff barriers to trade within the then European Economic Community (EEC).[14] The implementation of these measures eventually resulted in the creation of the single market in 1993.

Lack of a Vision and Protectionism

A comparable vision is lacking today. Although the European Commission under Ursula von der Leyen has made strengthening the "governance" of the single market a focus of its agenda.[15] But governance is only part of the answer. The European Commission has so far failed to include any further initiatives in its work program.

In addition to a lack of strategy, the deepening of the single market is failing above all due to resistance from the Member States. Often, they block sensible initiatives of the European Commission for protectionist reasons. As the European Commission explains: "We are all too often confronted with a situation [where] there is [...] a lack of political will to adopt the concrete measures proposed by the Commission [...]. Even when Member States are in favour of further market integration or deeper harmonization, they often take the view that only their own approaches should serve as a basis for European rules".[16]

German industry has been pointing out this problem for a long time. We demand that politicians finally implement their repeated commitments to deepen the single market. The massive shock of the Covid-19 pandemic for the European economies and the still difficult recovery call for immediate action. National blockades are no longer justifiable and jeopardize recovery and growth - and sooner or later Europe's position in the world.

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[13] European Commission: https://eur-lex.europa.eu/legal-co tent/DE/TXT/PDF/?uri=CELEX:51985DC0310&from=DE

[14] Federal Agency for Civic Education (BPB): https://www.bpb.de/nachschlagen/lexika/das-europalexikon/176716/binnenmarkt

[15] As part of the EU Industrial Strategy from March 2020. The European Commission's governance package consists of a report on barriers to the Single Market (Europäische Kommission: Hindernisse für den Binnenmarkt ermitteln und abbauen. COM(2020) 93 final. https://ec.europa.eu/transparency/regdoc/rep/1/2020/DE/COM-2020-93-F1-DE-MAIN-PART-1.PDF) and an action plan on Single Market enforcement (Europäische Kommission: Langfristiger Aktionsplan zur besseren Umsetzung und Durchsetzung der Binnenmarktvorschriften. COM(2020) 94 final. https://ec.europa.eu/info/sites/info/files/communication-eu-single-market-barriers-march-2020_de.pdf)

[16] European Commission: Der Binnenmarkt in einer Welt im Wandel - Ein wertvoller Aktivposten braucht neues politisches Engagement. COM(2018) 772 final. https://eur-lex.europa.eu/resource.html?uri=cellar:04220bf2-ee4e-11e8-b690-01aa75ed71a1.0002.02/DOC_1&format=PDF

BDI´s Demands

- Completion of the single market in all areas must become a central project for the future of the EU with the highest political priority.
- The European Commission should develop an ambitious vision of the future for the completion of the single market that combines individual policy strategies across departments. The single market must not be artificially divided into "analog" and "digital". A holistic approach is necessary that also takes into account the increasing importance of the "servitisation" of industry (i.e. the combination of production and services).
- The prioritisation on the single market must also be reflected in the structure and working methods of the European Commission. Single market policy must not be the task of a single directorate general but must become a central policy principle of all Commission services.
- Completion of the single market must become the core idea in the EU's drive for strategic autonomy. The single market is Europe's greatest asset and a crucial condition for Europe's sovereignty and international influence.
- Based on the new vision of the future, the EU institutions should develop a joint action plan with concrete measures, precise objectives and a clearly defined timeframe for further integration of the single market.
- In addition to the climate target, the EU should also set itself a single market target for 2030. This should provide for generating additional economic growth of at least two percent EU-GDP by 2030 by deepening the single market in all areas.
- Member States must no longer use (supposed) national sensitivities in their markets as an excuse to block the deepening of the single market. The repeated political commitments in the Council to open national markets must finally be translated into action at the working level as well.
- The country-specific recommendations of the European Commission should serve as a basis for the opening and reform of national markets. Citizens and companies depend on optimally harmonised rules to guarantee fair treatment within the domestic market. Where full harmonisation is not possible, the principle of mutual recognition must apply.
- At the same time, the European Commission must take stronger action against inadequate implementation of EU law in the Member States. Political considerations should not play a role here. The Commission should continue to make consistent use of infringement proceedings to combat violations of EU law.

Hybrid Value Creation: The Importance of Industry-Related Services

Services are the largest and fastest growing sector of the European economy. They already account for 73 percent of EU GDP and 74 percent of employment in the EU. Nine out of ten new jobs are created in the service sector.[17] 25 to 60 percent of jobs in industrial companies are already in service-related functions (including research and development, IT, logistics, marketing, sales and after-sales management, maintenance, etc.); around 14 million jobs in the service sector are directly linked to the export of EU goods.[18] Overall, more people work in foreign trade-related jobs in EU services than in industry.[19]

The European Commission already estimated the potential of a deepened single market for services in 2012 at up to 2.6 percent EU GDP.[20] In view of the rapid "servitisation" of the industry since then, this estimate must be regarded as conservative.

Barriers in the Single Market for Services and their Consequences

Despite its enormous importance, the services sector accounts for only 20 percent of intra-EU trade (or 6.5 % of EU GDP).[21] While the cost of exchanging goods in the EU has fallen by an average of 20 percent since the single market came into force, the figure for services has been only seven percent.[22]

Since the financial and economic crisis of 2008, there has also been an asymmetry in the development of productivity in industry and services. As a study by Copenhagen Economics from 2018 shows, industry achieved a three times higher increase in productivity than the service sector in the last decade. [23]

Today, the manufacture of a modern industrial product is no longer conceivable without services. They are an increasingly essential component for the creation and functioning of successful value chains: IT and consulting services, logistics, marketing, sales, after-sales services, etc. The fragmentation of the sector therefore has dramatic consequences for companies and the economy. On the one hand, it makes it more difficult for new value-added networks to emerge and prevents companies from expanding and growing. Many of the so-called "knock-on effects" for the economy associated with services are lost as a result. On the other hand, innovative start-ups are prevented from scaling up and therefore often move to other markets, especially to the USA. The EU loses out on several fronts: innovation drain, less research and development, fewer new jobs, less international competitiveness.

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[17] European Parliament: https://www.europarl.europa.eu/news/en/press-room/20201126IPR92530/meps-want-to-improve-free-movement-of-services

[18] Copenhagen Economics: Making EU Trade in Services Work for All. Enhancing innovation and competitiveness throughout the EU economy. November 2018. https://www.copenhageneconomics.com/publications/publication/making-eu-trade-in-services-work-for-all

[19] Idem

[20] See footnote 26

[21] European Parliament: https://www.europarl.europa.eu/news/en/press-room/20201126IPR92530/meps-want-to-improve-free-movement-of-services

[22] See footnote 17

[23] See footnote 18

Poor Implementation of the EU Services Directive as a Vexing Problem

The EU Services Directive is the central legislative framework for services in the EU. It applies across all sectors and covers all self-employed services: Business services, wholesale and retail trade, and the construction and ancillary construction trades. Explicitly excluded from the directive are, among others, non-economic services provided by the state or on behalf of the state, financial services, transport services and health services.

Although the EU Services Directive had to be implemented by the Member States by the end of 2009, its implementation remains incomplete and deficient. In its last comprehensive analysis of the implementation status of the directive (2012), the European Commission identified major deficits in the degree and type of implementation as well as major differences between the Member States.[24] A central problem is the wide margin of discretion that the directive grants to the Member States. As the European Commission explains: „There is a great deal of variation in the extent to which Member States have used this discretion. Often, they have chosen to preserve the status quo instead of being more ambitious in opening up their services markets. Even if these options may not always constitute a violation of the Directive, these requirements are liable to hamper economic growth".[25] The result is a massive fragmentation of the legal framework in the EU.

BDI´s Demands

- Industrial and services policy must not be viewed separately, but as two sides of the same economic policy coin. In view of the rapidly advancing servitisation of industry, the European Commission's industrial policy strategy must always take into account the links between industry and the service economy.
- The Member States are called upon to finally implement the EU Services Directive in full and to apply it properly.
- The European Commission is called upon, in accordance with Article 41 of the EU Services Directive, to present its application report on the Directive, which was scheduled for December 2020, without further delay. The results of the report should be used as an opportunity to launch, if necessary, new initiatives to adapt the directive with a view to completing the internal market for services.
- The "points of single contact" (PSCs) in the Member States must serve companies as competent information points. National authorities must ensure that their PSCs provide all information on national regulations in a clear, complete and user-oriented manner. Inquiries must be answered promptly. All documents must be made available at least in English.

[24] European Commission: Communication. On the implementation of the Services Directive. A partnership for new growth in services 2012-2015. COM(2012) 261 final. https://ec.europa.eu/transparency/regdoc/rep/1/2012/EN/1-2012-261-EN-F1-1.Pdf

[25] Idem. p. 5

- Member States need to improve their SOLVIT service. According to the European Commission's Internal Market Scoreboard, there are still major deficits in the SOLVIT system. Member States must ensure that their SOLVIT centres are adequately staffed, that national authorities participate appropriately in SOLVIT, and that cases are handled quickly and with the necessary expertise.

- The notification process for service-related measures needs to be reformed. National authorities continue to adopt measures without notifying the European Commission or other Member States for review. This contributes significantly to the creation of new barriers. Since the last attempt to reform the notification procedure failed due to the resistance of some Member States, including Germany, a new attempt is necessary.

- The application of the proportionality test for service-related measures must be strengthened. The European Commission should provide guidance to national authorities in accordance with the Directive on a proportionality test prior to the adoption of new professional regulations (2018/958). Furthermore, stakeholders need to be systematically involved in the review.

- The posting of employees across EU borders must be made easier. At present, the EU Posting of Workers Directive means that companies can only post employees abroad if they comply with increasingly complicated bureaucratic documentation requirements. This applies in particular to the so-called "A1 certificate". When negotiations are resumed on amending the underlying EU regulations, one of the things that should be worked towards is a time threshold below which no A1 certificate is generally required.

Unlocking the Potentials of Digitalisation for Europe: A Digital EU Single Market

In light of global competition and the speedy development of entire regions of our world, Germany and Europe will only be able to prosper if they focus on the development, production and utilisation of digital innovations and other future technologies. Digital transformation entails huge opportunities for German companies. Around 59 percent of industrial companies with more than 100 employees in Germany are already using Industry 4.0 applications.[26] The Corona pandemic – at least to a certain degree – functioned as a booster for digitalisation in numerous companies.[27] The task now is to translate the positive experience with digital technologies that citizens and companies all over Europe gained during the Corona pandemic into a long-term update of new technologies and digital solutions.

While Europe has often failed to drive the first wave of digitalisation of the economy with sufficient vigour, German companies – from start-ups to SMEs to multinationals – are globally leading providers of B2B platform. Currently, for example, four of the world's 14 leading Industrial Internet of Things (IIoT) platforms are "Made in Germany". Although they do not have the reach and user numbers of the large B2C platforms, these B2B platforms make a decisive contribution to the dual transition: on the one hand, they support the development towards Industry 4.0, i.e. an ever-increasing increasing interconnectivity and smart automation of various parts of the economy. On the other hand, they contribute to significant reduction of CO_2 emission while simultaneously enabling productivity gains.

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[26] Bitkom: https://www.bitkom.org/Presse/Presseinformation/Industrie-40-so-digital-sind-Deutschlands-Fabriken (2020)

[27] Bitkom. 2021. https://www.bitkom.org/Presse/Presseinformation/Corona-Unternehmen-spueren-wirtschaftlichen-Nutzen-der-Digitalisierung

Uniform Regulatory Framework and Legal Certainty

An innovation-friendly regulatory framework that is as uniform as possible is indispensable for the scalability of data-driven business models. Studies show: Completion of the digital single market would unleash a growth potential of around EUR 110 billion per year.[28] Therefore, the European Commission, the European Parliament and the Member States should work towards a uniform, innovation-promoting, technology-open and industry-friendly regulatory framework for digital policy. For example, three out of four companies currently identify legal uncertainty in the anonymisation of data as a concrete obstacle.[29] Bureaucracy reduction and efficient administrative procedures throughout Europe through administrative modernisation are also important cornerstones for improving the competitiveness of Europe as a business location.

Digital Sovereignty Through Location Policy

Europe must strengthen its digital sovereignty by developing a holistic policy approach. This goal cannot be achieved unilaterally through protectionism and autarky, but only by developing a strong business environment based on clear rules and a focus on innovation. For example, to materialise the benefits emanating from the digital transformation a sustainably higher capacity for innovation and investment. To promote key technologies in Europe and develop own competencies, Europe's digital policy must be closely interlinked with European and national innovation, research, economic and industrial policies in order. A high degree of digital sovereignty is n crucial pillar for a successful EU single market.

Regulating Artificial Intelligence in an Innovation-Friendly Way

Artificial intelligence (AI) is one of the most important key technologies in industry. Non-bureaucratic and innovation-friendly framework conditions for the use of AI are a prerequisite for securing the innovation and competitiveness of German and European industry in the long term.

In the ongoing regulatory efforts, which primarily relate to the use of high-risk AI systems, it is important to take industrial users and their requirement into account. Moreover, it is of utmost importance, to avoid overregulation of industrial application areas of AI. Otherwise, there is a risk that the development of innovative applications of key AI technologies will be weakened at the outset. Only if the legal framework for AI in Europe is designed in an innovation-friendly manner, can European companies gain a decisive advantage in international competition by combining their industrial strength with the possibilities of AI.

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[28] European Parliament Research Service (EPRS): Coronavirus and the Cost of Non-Europe. An analysis of the economic benefits of common European action. May 2020. https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_IDA(2020)642837

[29] IW Cologne on behalf of BDI: Datenwirtschaft in Deutschland: Datenwirtschaft in Deutschland (bdi.eu)

Supporting Digital Business Models "Made in Europe" Through Smart Digital Policy

It is essential to harness the current Corona-induced momentum of European companies' digitalisation efforts and further expand Europe's competencies in digital transformation. The industrial platform economy offers enormous growth potentials. By the end of 2018, almost seven percent of value creation in Germany's industry and industry-related services was already substantially dependent on the use of platforms.[30] However, due to a lack of data interoperability between platforms and companies as well as non-existent de facto standards, these platforms have difficulties in scaling up as. The same factors hamper a more far-reaching uptake of Industry 4.0 solutions across industry sectors.

A smart industrial data policy is an important cornerstone to support the scaling of platforms "made in Europe". Therefore, BDI welcomes the European Commission's data strategy and the creation of data spaces.[31] In a study commissioned by the Federation of German Industries (BDI) and conducted by the Institute of the German Economy (IW), only 28 percent of the 500 companies surveyed could be classified as "digital", in terms of their own data management. In the absence of structured data management, many companies – especially small and medium-sized (SME) ones – lack the ability to participate in the data economy. At the same time, many companies show a great willingness to share data, but in practice refrain from exchanging data with other companies because of too many (legal) uncertainties. Henceforth, the European Commission should address these issues when drafting its announced Data Act. For example, the European Commission should reduce uncertainties concerning the anonymisation of personal data.

Legal certainty is also an important concern of the business community in the context of the Digital Services Act. We appreciate that the European Commission based its regulatory proposal on the principles of the E-Commerce Directive. These principles, and in particular the country-of-origin principle as well as the ban on general monitoring obligations, have made a significant contribution to the successful development of the Internet economy. They have proven successful and should not be revised in the ongoing legislative process.

Cyber Resilience as the Foundation of Digital Transformation

Cyber-resilient infrastructures, public authorities and products, as well as a high level of cybersecurity expertise among citizens, in companies as well as public administration, are the prerequisite for a secure digital transformation. A regulatory framework that provides a high degree of EU-wide harmonisation with regard to the cybersecurity requirements that companies have to fulfil is of paramount importance, especially for the internationally oriented German industry. Therefore, BDI welcomes the European Commission's proposal for a NIS 2 directive but sees the need for extensive adjustments that better reflect the realities in the European economy and in companies. To this end, only a combination of the Council's General Approach, Parliament's Compromise text and the European Commission's initial draft will provide a legislative framework that will enhance Europe's cyber-resilience without placing unduly high burdens on entities as well as introducing too much bureaucracy. At the same time, we call on the European Commission to publish cybersecurity requirements for connected products within the framework of a product-related horizontal NLF-based EU legislation instead of creating a regulatory patchwork by including cybersecurity requirements in different legal provisions.

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[30] Vbw (2019): Plattformen – Infrastruktur der Digitalisierung. https://www.vbw-bayern.de/Redaktion/Frei-zugaengliche-Medien/Abteilungen-GS/Wirtschaftspolitik/2019/Downloads/Plattformen-Infrastruktur-der-Digitalisierung_final_neu.pdf

[31] Datenwirtschaft in Deutschland – Wo stehen die Unternehmen in der Datennutzung und was sind ihre größten Hemmnisse?", IW study commissioned by the BDI, February 2021, accessible at: https://bdi.eu/media/publikationen/?publicationtype=Studien#/publikation/news/datenwirtschaft-in-deutschland/.

BDI´ s Demands

- Europe's resilience and competitiveness must be strengthened with a strong focus on innovation. Technologies should be promoted in a targeted manner, competencies should be developed and expanded, and a holistic ecosystem should be established.

- Innovative use of data must be promoted. The focus should be on voluntary data sharing as well as fair and controlled data use. To this end, economic incentives must be provided, and the legal and technical framework must be improved to create a suitable basis for the voluntary, secure and responsible provision of data by companies.

- Europe must expand the availability of public data and take a pioneering role in the provision of "open data" by making public data more readily available via open data portals and supporting private-public data cooperation.

- GAIA-X is an important project for building a powerful and competitive, secure and trustworthy data infrastructure in Europe. For GAIA-X to become a success story, GAIA-X reference projects for various areas of application should be promoted throughout Europe.

- Secure digital infrastructures must have top priority and be promoted at both European and national level. BDI appreciates that the EU and Germany aspire to allow only trustworthy manufactures to provide "critical components" for use in critical infrastructures. In this context, the same product- and offer-specific technical test criteria, rules and procedures must apply throughout Europe for all manufacturers, regardless of products, offers and origins.

- B2B platforms are essential for the implementation of Industry 4.0. The development and implementation of secure and efficient B2B platforms should not be restricted within the framework of platform regulation but should be promoted throughout Europe through regulatory and political initiatives. Europe should emphasise its own competencies more than highlighting any weaknesses.

- Key technologies such as artificial intelligence and quantum technologies must be quickly utilised in industry. The EU should also strengthen research in future technologies, especially in the field of micro- and nanoelectronics, in order to reduce dependence on America and Asia. To this end, the EU should promote strategic partnerships between research, industry and the public sector.

- German industry expressly supports the European Commission's current deliberations, confirmed by the European Council, on the introduction of mandatory horizontal cybersecurity requirements based on the principles of the New Legislative Framework (NLF). Such horizontal requirements should be an integral part of the announced Cyber Resilience Act.

- We expressly welcome a Europe-wide harmonisation of cybersecurity regulation within the framework of the NIS 2 Directive. Now, in the trilogue process, it is important to ensure a user-oriented design that raises the cybersecurity level of government institutions and industry alike, without overburdening SMEs in particular or prescribing individual technologies.

Push Revival of the New Legislative Framework (NLF)

The main pillar of our single market for products is the New Legislative Framework (NLF). The NLF is designed to be lean and efficient. It ensures the safety of products, rapid EU-wide market access, especially for SMEs, more innovations and safeguards the competitiveness of German and European companies - a globally unique model for success. The NLF has the potential to meet the challenges of digitisation while at the same time maintaining system coherence for placing products on the market.

The NLF – A Recipe for Success "Made in Europe"

The European Union and Germany are facing major challenges to maintain their international competitiveness and expand their technological sovereignty in the future. The NLF is an ideal lever for this: EU institutions set safety and health requirements for products and services. The technical content of these requirements is left to industry experts. The result is harmonised standards throughout Europe. As a result, the NLF gives companies producing in the European Union a global competitive advantage. In accordance with the principle of "one standard, one test, accepted everywhere", products can be freely marketed throughout the single market.

Global Market Position of European Industrial Companies at Risk

The so-called James Elliott ruling of the European Court of Justice from 2016 has increasingly called into question the very successful model of placing products on the market, which has proven itself over decades. Based on the interpretation of the ruling, according to which harmonised standards are considered to be part of Union law, the European Commission is subjecting the content of technical specifications to intensive scrutiny and in some cases issuing specifications on the content of standards. According to a legal opinion commissioned by the Federal Ministry of Economics and Technology, the Commission has no competence for this procedure. The procedure practiced by the Commission damages the established and successful concept of the NLF and entails a series of negative developments for German industry.

German industry is observing these developments with great concern. In order to secure the international competitiveness and innovative strength of German and European industry, the BDI sees an acute need for action.

BDI´s Demands

- The BDI expressly supports the concrete proposals from the "Joint Industry Recommendations for effective harmonised Standardisation" of July 2021 and is counting on further support from the government in Germany.
- It is imperative that the European Commission undertake a critical review and adaptation of the framework conditions for the commissioning, evaluation and citation of European-wide harmonised standards.
- The European Commission and the German government must advocate the consistent application and continuation of standardisation within the framework of the NLF for new areas of law in the context of digitisation and sustainability.
- The European Commission must develop future product-related regulatory projects in all areas of law in accordance with the principles of the NLF. Preference must always be given to harmonised standards.
- Measures taken by the European Commission in the European Standardisation System must aim to strengthen and secure the international competitiveness and innovative strength of European industry and must be measured against this.

A Single Market for the European Circular Economy

In 2019, the European Commission presented a political agenda with the "European Green Deal", the implementation of which is expected to bring about profound economic change with a significant impact on society. At the same time, the EU is to be a dynamic and globally competitive economic area in which growth is decoupled from resource use. A central role in this must be played by the transition to a circular economy.

BDI´s Demands

- The new German government should advocate at the European level for internal market regulation that supports companies on their way to a climate-neutral circular economy.
- This requires a fundamental realignment of raw materials policy with instruments for closing material and product loops, planning and investment security for companies, a coherent, innovation-friendly and secure legal framework, and initiatives to ensure competitiveness.
- Decisive factors here include appropriate regulations for a functioning internal market for waste for recycling and for the use of raw materials from the circular economy, uniform enforcement and uniform market monitoring of new requirements for sustainable product design, including "design for circularity", and an EU-wide end to the landfilling of untreated municipal waste.

- In addition, industry must be able to calculate with competitive energy and raw material prices. This urgently requires a funding policy that supports the transformation to the circular economy and also takes into account the needs of small and medium-sized enterprises (SMEs).

A Modern Interconnected Europe - Transport and Mobility in the Single Market

The Importance of the Transport Sector for the EU Single Market

As the COVID-19 pandemic has shown, the free movement of people and goods is one of the fundamental freedoms of the European Union and the common market. The transport sector makes economic prosperity possible because it ensures the maintenance and establishment of industrial locations in all places of the European Union. It is thus indispensable for balancing regional disparities and for the smooth operation of the European single market. Even in times of crisis, it is essential to keep cross-border transport routes open, e.g. by creating so-called green lanes for the free movement of people and goods.

It is thanks to a reliable infrastructure and an efficient transport sector that industrial locations throughout Europe are competitive and that not only individual clusters develop while other regions remain economically marginalised. On the contrary, each country joining the European Union has been given a higher degree of economic participation in the single market, creating prosperity and stability for the population.

The transport sector is the link between 27 national economies with 450 million people who consume goods every day and make a wide variety of contributions to value creation. Against the backdrop of the goal of climate neutrality, it must be a matter of continuing to expand the performance of the European transport industry if the social model of the social market economy is to continue to be supported. The transport industry connects people and goods, creating networks of relationships and value chains that form the basis of our economic system based on the division of labour and its fundamental values of freedom.

Transport and Climate Neutrality

Thanks to enormous technological developments, emissions per ton kilometre or passenger kilometre have continued to fall in recent years - and this applies equally to all modes of transport. However, due to the steadily increasing networking of economic locations and the participation of ever larger parts of the population in prosperity, emissions have risen overall. The real challenge now is to maintain and expand economic, social and ecological stability in the sense of a true sustainability approach, while at the same time making logistics and supply chains more efficient, environmentally friendly and climate neutral.

Transport Infrastructure for All Modes of Transport

A basic prerequisite for achieving the climate protection targets in transport is the increased and accelerated development and expansion of infrastructures for all modes of transport: mandatory, comprehensive and permeable with the necessary charging and refuelling infrastructures as well as digital solutions such as the European Train Control System (ETCS) and Single European Sky (SES). The synchronization of charging and refuelling infrastructure in the EU Member States is also of great importance with regard to the extremely ambitious CO2 fleet standards proposed by the European Commission from 2030 for passenger cars and light commercial vehicles. A direct link between fleet regulation and the future Alternative Fuels Infrastructure Regulation (AFIR) must be ensured. Just to charge the 30 million zero-emission passenger cars envisaged by the European Commission by 2030, three million publicly accessible charging points would have to be set up in the EU. By way of comparison: in 2019, there were just under 200,000 publicly accessible charging points in the EU, with around 75 percent of public charging points concentrated in what were then still four EU Member States - Germany, the Netherlands, France and the United Kingdom. This number would have to increase by a factor of 15 by 2030.

A Single Market for Transport Services

At present, there is no freedom to provide services on the market for transport services within the EU: the national markets are largely inaccessible to competitors from other Member States. However, a limited, partial access to the purely national markets is granted by the regulations of the so-called cabotage. With numerous restrictions, providers can carry out purely national transports even in a member state in which this provider is not established. The first condition is that these so-called cabotage transports may only take place after an international transport. Market access is further restricted by limiting the permissible number of such journeys and the period during which they may take place. In addition, there is an obligation to return the vehicle to its home country within certain time limits and a so-called cooling-off period, during which no further cabotage operations may be carried out in the same member state.

Cabotage as an instrument for strengthening a single market for road freight transport is indispensable for avoiding and cushioning supply bottlenecks. Above all, however, it makes logistics processes in the EU as a whole more efficient and more effective, which is a decisive point for the competitiveness of companies on the world markets and central for the EU as a location factor.

BDI´s Demands

- The European Commission should implement the central course-setting measures for transport contained in its "Fit for 55" package and "Efficient and Green Mobility Package" in a technology-open, holistic and competition-neutral approach. The aim must be to ensure the ramp-up of alternative drives and fuels, including the necessary infrastructures and digitalisation, in the Member States through targeted incentives and regulations.

- The infrastructures of the Member States must be coordinated and interconnected. In particular, the expansion of ETCS must be accelerated. The necessary funding programs must be made available.

- In the event of a comparable situation in the future, the temporary closure of European borders as in 2020 due to the COVID-19 pandemic must not be repeated. Instead, European transport routes must be kept open by setting up so-called green lanes in order to guarantee goods traffic and exclude economic disadvantages.

- Optimisation potentials, such as the implementation of the "Single European Sky" (SES), must be used to increase capacities and energy and climate efficiency in air traffic. The aim is to make the management of European airspace more modern and to create more sustainable and efficient flight paths. BDI supports the completion of the Single European Sky. A rapid advancement of the decision-making process by the European Parliament and a more ambitious approach based on the need for action are urgently required.

- The European Commission has proposed extremely ambitious targets for CO2 fleet limits from 2030 for passenger cars and light commercial vehicles. These targets can only be achieved if the framework conditions are right, and in particular if they go hand in hand with a binding, ambitious and comprehensive development of the charging infrastructure in the EU Member States. The European Commission is called upon to ensure a direct link between fleet regulation and the future AFIR.

- Regarding the necessary rapid and comprehensive development of charging and refuelling member infrastructure in the EU, BDI welcomes the change from a directive to a regulation (AFIR) proposed by the European Commission and the cross-modal approach contained therein. However, the requirements for airports and ports are in part too ambitious.

- The opening of closed markets for purely national journeys by means of the existing cabotage regulations has numerous advantages. These positive effects of market opening could be enhanced by further liberalisation. This is especially true since the recent clarification of cabotage and minimum wage regulations in EU law, as well as the foreseeable significantly improved capabilities for monitoring compliance with the law (digital tachograph, access to toll data), very clearly counteract possible negative effects of further liberalisation with regard to labour and social conditions.

- Although the cabotage regime should be further developed, this must be done with a sense of proportion: It is of great importance for the shipping industry and the resilience of logistics processes and supply that all Member States continue to have an efficient local transport industry.

- Negative effects on international competition due to the revision of the Energy Taxation Directive, which currently provides for exemptions in the taxation of fuels used in air and sea transport, must be avoided. A European go-it-alone kerosene tax would inevitably lead to competitive disadvantages for European aviation companies and carbon leakage through "tankering". A kerosene tax would only make European air traffic more expensive and put it at a disadvantage in international competition – without any climate-efficient steering effect.

- As part of its FuelEU Maritime initiative, the European Commission must ensure that distortions of competition and the safeguarding of European maritime industries and supply chains are avoided. In particular, the expansion and promotion of the corresponding infrastructure and shore-side power supply in the ports must be ensured.

Public Procurement - EU Rules on Market Opening Remain Essential

Public procurement, i.e. the total of all procurements made by public-sector customers from the private sector, is one of the most important economic factors in the EU. In many countries, it is the second-largest government expenditure after spending on government employees. Public procurement therefore has a significant impact on other important aspects, such as business opportunities for the bidding economy, small and medium-sized enterprises and jobs. Overall, the volume of all public procurement at central, regional and local level reaches a value of more than 14 percent of the EU's gross domestic product.[32] In view of this enormous volume, public procurement can also have a catalytic effect on technical innovations or contributions to environmental and climate protection, for example.

EU Procurement Directives Still Necessary, Threshold Increase Would Be Counterproductive

In order to reduce barriers to a cross-border procurement market throughout Europe and to strengthen competition for public contracts, the EU has over the years created an effective legal framework for large, single-market-relevant awards above certain minimum contract values (thresholds).[33] The EU public procurement directives open up the markets for large contracts above the threshold values throughout the EU. At the same time, they ensure that the principles of transparency and equal treatment of all bidders must be observed when awarding contracts. In addition, in the event of procedural errors, it is stipulated that these can be objected to and, if necessary, corrected by means of swift and effective legal remedies for public procurement. This EU legal framework for public procurement is an important and indispensable pillar of the single market law.

In the political arena, there have recently been some calls for an increase in the EU thresholds. The background to this is that, due to an evaluation clause in the relevant EU Directive on public procurement, the Commission must carry out a review of the threshold values five years after they come into force, which should already have taken place by April 2019.[34] In November 2020, the Council of the EU invited the Commission to review the economic impact of the thresholds on the single market and to consider proposing an increase in the current thresholds at a next round of negotiations, where possible and appropriate.[35]

In view of the continuing need to open markets within the EU single market, raising the thresholds would be highly problematic and counterproductive, especially as the current thresholds are already very high. Particularly from the point of view of the export-oriented German industry, the EU directives on public procurement continue to be indispensable, as they contain absolutely essential guarantees for German companies' access to important foreign markets in the EU.

Moreover, an increase in threshold values would also be extremely damaging for German and European industry in terms of the necessary market opening in third countries beyond the EU. This is because a substantial increase in EU thresholds would first require an increase in the thresholds of the WTO's Government Procurement Agreement (GPA), which is binding for the EU. The latter would have the effect of reducing the rather insufficient guarantees for market opening in third countries that have been painstakingly achieved in the GPA, while the GPA in its existing scope is indispensable for the opening of procurement markets in third countries.

The same applies to an extension of the exceptions to the EU directives on public procurement, which has also been called for in some quarters, because the existing exceptions are already very far-reaching.

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[32] European Commission, Single Market Score Board referring to 2019, cf. the following Internet publication: Public Procurement - Performance per Policy Area - The Single Market Scoreboard - European Commission (europa.eu).)., 15.10.2021.

[33] The EU law on public procurement mainly consists of the EU directives for the award of public contracts and concessions, in their present form dating back to a last revision in 2014, comprising directives 2014/24/EU, 2014/25/EU und 2014/23/EU, a directive for the award of public contracts in the area of security and defense(directive 2009/81/EC), as well as two remedies directives (directives 89/665/EEC and 92/13/EEC, both revised by directive 2007/66/EC.

[34] Cf. Article 92, directive 2014/24/EU.

[35] Cf. Council conclusions dated 25.11.2020: Public Investment through Public Procurement: Sustainable Recovery and Reboosting of a Resilient EU Economy, number 7.

Access to Procurement Markets in Third Countries in Need of Improvement

With regard to market access to procurement markets in the EU on the one hand and in third countries on the other, an increasing disparity has emerged in recent years. While EU markets are often wide open, at least de facto, to bidders from third countries, procurement markets in a number of important third countries, such as China, often remain highly closed to EU companies.

The Commission's proposal for the so-called "International Procurement Instrument" (IPI) [36] is intended to increase the pressure on third countries to open up procurement markets that are still closed to European companies. At the same time, it is intended to strengthen the weight of the EU in international trade negotiations. The IPI is intended to create a regulation on access to public procurement in the EU for bids from third countries and a procedure for the Commission to review foreclosed third-country markets. If the Commission identifies unacceptable market foreclosure in a third country, sanctions can be imposed on bids of companies from that third country. After years of contentious legislative process, a compromise agreement in the Council in June 2021 [37] and renewed referral to the European Parliament, the IPI is expected to be finally adopted in the first half of 2022.

Notable Distortions of Competition Due to Subsidised Offers from Third Countries

Another problem for the single market in the area of public procurement is the distortion of competition caused by subsidised bids from third countries when contracts are awarded in the EU, which leads to massive disadvantages for non-subsidised European bidders. In this respect, a major problem to date is that EU state aid control does not apply to the examination of subsidies from third countries.

Such distortions of competition are to be combated by the creation of an EU instrument against foreign subsidies that distort the single market ("Foreign Subsidies Instrument", FSI). [38] To this end, the FSI provides, among other things, for a special instrument to combat bids favoured by third-country subsidies in the case of very large awards of public contracts in the EU above a contract value of 250 million Euros, whereby subsidies must be notified. For smaller contracts with a subsidy threshold of five million Euros or more, the Commission is to have a general market investigation instrument by means of which it can carry out independent checks. If the Commission identifies distortions of competition due to subsidies from third countries, it can impose sanctions on the bidders concerned.

BDI´s Demand

- An increase in the EU thresholds for public contracts is emphatically rejected. The EU public procurement directives remain indispensable for EU-wide access to public contracts, transparency and fair competition in awarding contracts. Their scope of application must therefore not be reduced under any circumstances.

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[36] Amended Proposal of the Commission dated29.01.2016 for a regulation of the European Parliament and of the Council on the access of third country goods and services to the Union's internal market in public procurement and procedures supporting negotiations on access of Union goods and services to the public procurement markets of third countries.

[37] Mandate of theCouncil dated 02.06.2021 for negotiations with the Eurpean Parliament regarding the amended proposal of the Commission of 29.01.2016 on the IPI cf. preceding footnote), see Council Document dated 28.05.2021.

[38] Proposal of the Commission for a regulation of the European Parliament and of the Council on foreign subsidies distorting the internal market, dated 05.05.2021.

- For the above reasons, an extension of the already very far-reaching exemptions from the public procurement directives must also be rejected.

- The threshold values of the WTO Government Procurement Agreement (GPA) must not be increased either. Increasing them would be highly counterproductive for the EU and in particular for the strongly export-oriented German economy. An increase would undo the hard-won progress made in opening up markets in third countries beyond the EU and run counter to all efforts to extend the scope of the GPA at the level already achieved.

- The International Procurement Instrument (IPI) should be adopted soon after final necessary amendments by the Council and the European Parliament. It must be ensured that exceptions to the sanctions of the IPI are strictly limited so that the effectiveness of the instrument cannot be undermined.

- The Commission's proposal for the Foreign Subsidies Instrument (FSI) is to be welcomed in principle, as it can be used to combat distortions of competition caused by subsidies from third countries when contracts are awarded in the EU. Details such as the level of the threshold values in particular still require closer examination.

A Modern Tax System for Cross-Border Activity

Reduce Tax Obstacles in the Single Market

The tax obstacles in the single market are not only, but predominantly, limited to the areas of CIT (Corporate Income Tax) and VAT (Value Added Tax). Member States' administrative regulations in the field of VAT are still complex, which is one of the main obstacles to the single market. In the area of CIT, there is still a great deal of potential to be tapped in the single market in order to facilitate and promote cross-border trade and investment. These obstacles should be removed while maintaining the participation rights of all Member States.

In addition, the upcoming revision of the Energy Taxation Directive must ensure the smooth functioning of the European single market, the international competitiveness of European companies and the avoidance of tax discrimination.

In the view of BDI, the action plan proposed by the European Commission for the enforcement of the single market is urgently needed in order to achieve a better functioning of the single market. To that end, the tax aspects mentioned above must be addressed. BDI also welcomes the European Commission's report on barriers in the single market. The obstacles identified in the report are relevant for numerous German companies – this also applies to obstacle number 9, according to which the lack of tax harmonization remains one of the main obstacles faced by businesses when operating cross-border. The identified obstacles must be taken as an opportunity to accelerate the reduction of existing obstacles in the area of tax law.

BDI´s Demands

- The creation of a single corporate tax rulebook for the EU (BEFIT, Business in Europe: Framework for Income Taxation) announced for 2023 is a right step in order to reduce tax obstacles in the European single market. In this context, the EU must implement the agreement on a reform of the global tax system for business profits in a consistent and not excessive manner. It is important that both stages of BEFIT – harmonisation of the tax base and consolidation of profits and losses – are implemented. The European Commission must pay attention to avoiding double taxation risks for companies and ensure sufficient flexibility to be able to react to changes in tax law in important third countries in the future.

- In the area of VAT, the European Commission should work towards harmonising the existing technical methods of tax collection. Technical solutions for legally compliant information systems throughout Europe are a prerequisite for a definitive VAT system that can be implemented in a legally secure manner for companies and the authorities alike. The European Commission should work on the harmonisation of tax rates and tax matters and withdraw the proposal to give Member States more flexibility to set VAT rates. The European Commission should also allow a discussion of the introduction of a reverse charge mechanism for intra-union deliveries of goods.

- When revising the Energy Taxation Directive, the European Commission must not only pursue climate protection objectives but also the objective of a better functioning single market in order to strengthen the global competitiveness of industrial sectors. It must be ensured that carbon-neutrally produced energy sources are not subject to energy taxes and carbon prices linked to climate targets. Despite a switch to the energy content of fuels, EU member states should be obliged to fully exempt carbon-neutrally produced and advanced, sustainable biological energy sources from energy taxation and a carbon price in the market ramp-up phase without restriction to individual sectors.

- The principle of unanimity in the field of taxation should not be abandoned. Decisions in the field of tax policy should continue to be taken unanimously by all EU member states. In the view of BDI, it may only make sense to deviate from this in individual cases. This could, for example, concern questions of procedural law or the taxable event. A more comprehensive transition to qualified majority voting, however, carries the risk that the interests of individual Member States may be ignored. Thus, instead of pursuing the transition to the ordinary legislative procedure in tax matters, a further harmonization of European tax law should be promoted while retaining the participation rights of all Member States in order to achieve a better functioning single market.

Strengthen the Governance of the Single Market and Better Regulation

In March 2020, the European Commission presented two strategies to strengthen the governance of the single market: An Action Plan on Better Enforcement of the Single Market [39] and a Report on Barriers in the Single Market [40]. Together with the EU's Better Regulation Agenda, [41] these form the central governance framework for the single market.

Poor Implementation of EU Law as a Systemic Problem

Poor implementation and enforcement of singe market law in the Member States is a systemic problem and remains one of the biggest obstacles for companies in the single market. Enforcement of single market law and sanctioning of infringements are essential for many single market issues such as competition policy and law or public procurement. The measures announced in the Action Plan for a better exchange on the application and enforcement of EU law and on the need for reform are likely to contribute to deeper integration and a level playing field.

The report on obstacles in the single market, in turn, identifies a total of 13 key barriers that accurately reflect the problems faced by many German companies - especially SMEs and small businesses. The European Commission rightly points out that the Member States are responsible for the greatest barriers and that only they can ultimately remove them. However, it remains unclear which concrete measures are to be used to remove the barriers identified in the report. Concrete proposals are needed here from the Commission.

Further Expanding the EU's Better Regulation Agenda

With the EU's Better Regulation Agenda from 2015, the European Commission created the most comprehensive international framework for better regulation to date. Since then, the agenda has been revised and expanded several times. BDI welcomes the agenda and expressly supports its further development and deepening.

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[39] Action Plan for the Enforcement of the Single Market (European Commission: Langfristiger Aktionsplan zur besseren Umsetzung und Durchsetzung der Binnenmarktvorschriften. COM(2020) 94 final. https://ec.europa.eu/info/sites/info/files/communication-eu-single-market-barriers-march-2020_de.pdf)

[40] European Commission: Hindernisse für den Binnenmarkt ermitteln und abbauen. COM(2020) 93 final. https://ec.europa.eu/transparency/regdoc/rep/1/2020/DE/COM-2020-93-F1-DE-MAIN-PART-1.PDF

[41] https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_de

BDI´s Demands

- The European Commission's Single Market Governance Package, consisting of the Long-term action plan for better implementation and enforcement of single market rules and the Report on Obstacles in the Single Market, must be implemented swiftly and in full. Active support from the Member States is indispensable in this regard. The European Commission must outline the concrete measures to be taken to remove the identified barriers to cross-border entrepreneurial activity.

- The EU's Better Regulation Agenda must be deepened and expanded. Decision-making at EU level must become more transparent and inclusive for stakeholders. The feedback provided to the European Commission during public consultations must actually be taken into account in the design of legal acts. The quality of the European Commission's impact assessments must be improved in line with the recommendations of the Regulatory Scrutiny Board. Finally, the Better Regulation Toolbox must be continuously updated and systematically applied by all Commission services.

- The Council and the European Parliament must fully implement their commitments in the Interinstitutional Agreement on Better Lawmaking (2016). This applies in particular to the commitment to increased transparency and to carrying out their own impact assessments on significant changes to European Commission proposals. An inter-institutional definition of "substantial amendment" should be examined.

- Member States should always implement EU law on a 1:1 basis and refrain from so-called "gold-plating" (over-fulfilment). This requires that Member States provide their national authorities with sufficient capacity, resources and expertise for the proper implementation and enforcement of single market rules. Furthermore, closer cooperation with the European Commission and among EU Member States is necessary. Efficient cooperation is also needed between the Single Market Enforcement Task Force, the EU Competitiveness Council and the Internal Market Committee (IMCO) of the European Parliament.

- The European Commission should continue to make active use of the infringement procedure in the event of violations of single market law. This also applies to the extent that national legal remedies are available to pursue violations of nationally implemented EU law. Experience shows that EU infringement proceedings are an important corrective when national remedies are unsuccessful, or EU law is not sufficiently taken into account in national proceedings.

- BDI welcomes the "One-In-One-Out" (OIOO) principle at EU level. However, this must not lead to a segmentation of the existing single market acquis. OIOO must also be designed to work in a complementary way to existing better regulation instruments. It is also important that not only administrative costs, but also substantive compliance costs are captured.

Imprint

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BDI Document Number: D 1470